

PSJ3

Exhibit 571



Site Visit Initiation Memo

CardinalHealth

Date 5/10/2012

To File

From Nicholas Rausch

Subject Walgreen's Store # 4004
12749 S. CLEVELAND AVENUE
FT MYERS, FL

DEA # AW7772583

SECTION 1: Key Factors and Other Data Elements for 4004

- Monthly oxycodone volume (dosage units - Jan to Mar 2012): 33270
- Percentage of oxycodone prescriptions paid by cash: 7%
- Percentage of monthly oxycodone prescription volume relative to the prescription volume of all products: 3%
- Percentage of monthly controlled substances prescription volume relative to the prescription volume of all products: 24%
- Monthly prescription volume of all products: 10087

SECTION 2: Data Source

The analysis was based on the pharmacy's sales data provided by Walgreen for the controlled (C2-C5) and uncontrolled substances for the following period:

Starting: 10/1/2011 and ending: 3/31/2012

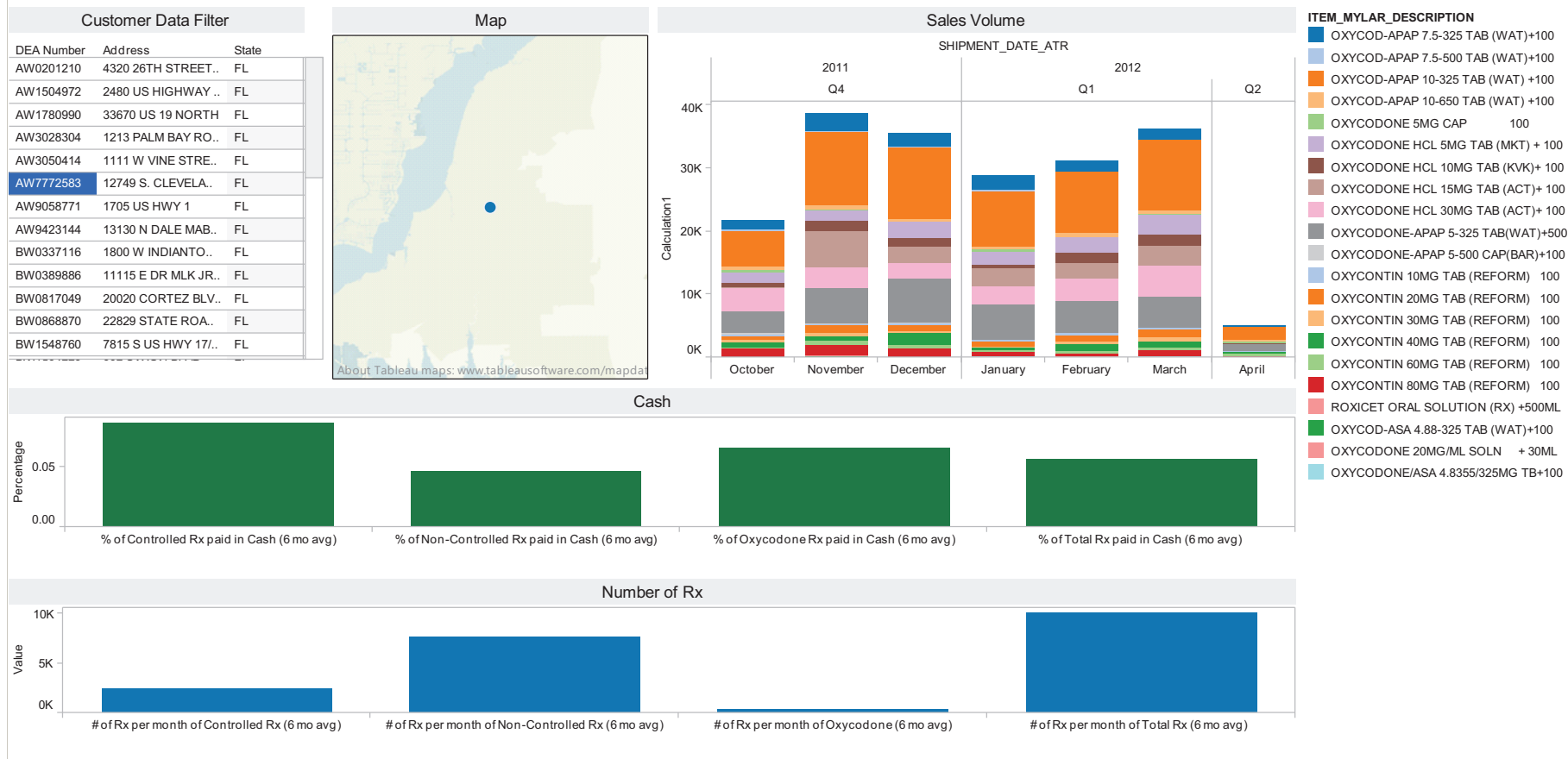
SECTION 3: Decision on Whether to Conduct a Site Visit

Based on the site visit methodology criteria,

- This Pharmacy was SELECTED for a site visit

For the pharmacies that warrant site visits, a summary of findings of the site visit will be documented in the Report of Investigation and the details in the Case Notes (PDQRA-CAD-C008).

CAH WAG Site Visits in Florida Wave2



Cardinal Health
7000 Cardinal Place
Dublin OH 43017



CardinalHealth

Report of Investigation

Date May 20, 2012
To File
From Howard Davis
Subject Walgreens #4004 DEA #
Fort Myers, FL

This pharmacy was visited on May 15, 2012 by Howard Davis, Independent Consultant, retired Diversion Program Manager, DEA and Robin Barde, Senior Specialist, Regulatory Compliance, Cardinal Health. Met with Allison Scott, Pharmacist in Charge and Kevin Mc Cullen, Loss Prevention Manager.

Findings

- As instructed prior to visiting the pharmacy, arrangements were made in advance with the loss prevention managers that we were coming to speak with the pharmacists.
- The store personnel appeared to be quite familiar with the process and had prepared documentation prior to our arrival such as
 - Percentages of controlled substances activity
 - Estimated amounts of prescriptions paid with cash
 - Top prescribers in their area
 - Demographics of the area
 - Number of Walgreens stores in the area
 - Hospitals, pain management clinics, weight management clinics, oncology clinic, etc.
- All of this information was either available for us upon our arrival or was verbally described without hesitation and without the necessity for looking anything up. As such, there were not any surprises
- On-site visits took between 60-90 minutes from start to finish
- **Medium Risk** - Due to some disparities between data provided by corporate and information provided by store personnel, a re-evaluation after three months is considered warranted in order to get a better idea of what is really going on using the information obtained from this on-site visit as a basis for comparison.

Investigator's Assessment

- ☐ Re-evaluate after 12 or more months
- ☒ Re-evaluate after 3 months
- ☐ Re-evaluate immediately

CASE NOTES

Pharmacy Name/DBA Walgreens # 4004

Address 1 12749 S. Cleveland Avenue
City, State, ZIP Ft. Myers, FL

Investigator: Howard Davis
Independent Consultant / retired Diversion Program Manager

BACKGROUND / PREPARATION – QRA SITE VISIT

I. **Review of QRA Supply Chain Integrity (SCI) Repository**

- 1.
- 2.
- 3.

II. **Background Investigative Findings**

- 1.
- 2.
- 3.

Date of Initial Completion:

III. **Additional Background Information (Date each entry)**

1. DATE ++
2. DATE ++

DATA COLLECTION – QRA SITE VISIT

1. Pharmacy Name/DBA: Walgreens # 4004, 12749 S. Cleveland Ave, Ft. Myers, FL

DEA # and expiration date: DEA# AW7772583 Exp 5-31-2013

Indicate Schedules:

2	2N	3	3N	4	5	ALL
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2. Date of Visit: May 15, 2012

3. Pharmacist in Charge: [REDACTED]. Present were Walgreens personnel [REDACTED], Loss Prevention Manager.

4. Participants: Howard Davis, Independent Consultant, retired Diversion Program Manager, DEA; Robin Barde, Senior Specialist, Regulatory Compliance, Cardinal Health

5. History:

Has the pharmacy or its owners ever had a DEA or STATE registration denied, suspended, or revoked?

YES ☐ NO ☒

If yes, explain.

Have there been any thefts or significant losses of controlled substances over the last year?

YES ☐ NO ☒

If yes, please provide details.

6. General Description of Area:

Residential and light industrial – small business.

7. Additional Pharmacy Locations:

YES ☒ NO ☐

If Yes, list the names and locations

Are there routine drug transfers between the various locations? Explain

Several area Walgreens chain stores. Routine drug transfers occur only between Walgreens locations albeit infrequently.

8. Additional Pharmacy licenses:

YES ☒ NO ☐

If Yes, list what type (i.e., Closed Door; Wholesale) and verify additional license numbers and expiration dates.

Florida State license # PH6853, expires 2-28-2013

Combat Meth Self-Certification expires 5-31-2012 (corporate provided)

9. What percentage of new CS Rx's does the pharmacy receive in the follow ways?

Walk-in = Fax/Call-In = eScripts = Mail = Internet = 0%

10. Does the pharmacy have an Internet website?

YES ☐ NO ☐

Web Address:

11. Does the pharmacy contract or participate with a 3rd party website?

YES ☐ NO ☒

Web Address:

12. Does the pharmacy fill Rx's issued by practitioners pursuant to an on-line patient practitioner relationship (such as a questionnaire)?

YES ☐ NO ☒

If Yes, explain.

13. Average # of Rx's filled per day: 300-350 (peak tourist season 500-550)

Corporate provided data revealed that 2452 c/s and 7635 non c/s Rx's were filled per month or a total of 336 Rx's filled per day when divided by 30.

14. Percentage of Rx's filled which are controlled substances (C2 – C5):

PIC didn't know. Based on corporate provided data and the formula used as provided in question #13 above, 3.1% of Rx's filled were for controlled substances.

15. Is the Pharmacy the Sole Provider of Rx's for any:

☒ Nursing Homes

☒ Assisted Living Facilities (no controlled substances)

☒ Hospices

☐ Others

Provide the facilities' names and the average number of beds/patients/residents, etc., serviced at each location.

Nursing Homes: VanGard and OmniGard – after hours for non c/s only

Hospices: Hospice House, Hope Hospice, mostly c/s, only 2-3 per week after hours – not a primary supplier

16. Types of Health Care Providers/Facilities in the Area:

Primary care practitioners, pain management clinics, hospices, practitioners of various specialties

17. What does the PIC consider the pharmacy's draw area? Five mile area

18. Does the pharmacy routinely fill controlled substance Rxs issued by out-of-state practitioners, or for those considered non-local?

YES ☒ NO ☐

If Yes, explain and obtain practitioners' names and DEA Numbers.

PIC fills prescriptions issued by out-of-state practitioners or for non-local "snowbirds" in Walgreens database from out of state who visit the area during seasonal periods when they reside elsewhere during parts of the calendar year as they deem warranted.

19. Does the pharmacy routinely fill controlled substance Rxs for out-of-state patients, or for those considered non-local?

YES ☒ NO ☐

If Yes, explain.

PIC fills prescriptions issued by out-of-state practitioners or for non-local "snowbirds" in Walgreens database from out of state who visit the area during seasonal periods when they reside elsewhere during parts of the calendar year as they deem warranted.

20. Does the pharmacy routinely mail any controlled substance Rxs?

YES ☒ NO ☐

If Yes, explain. The pharmacy does not routinely mail Rxs for controlled substances but it has occurred on rare occasion, such as in the case of a partial fill when out of stock and the entire prescription could not be filled at the time of the original date of issue, but never for C2.

21. What percentage of controlled substance prescriptions paid with cash are:

Percentage of controlled substances paid with cash was estimated by the PIC at 4%.

C2	<input type="text"/>	%
C3-5	<input type="text"/>	%
Total	100%	

Cash paid = prescriptions filled that are NOT paid for in whole or in part by a third-party plan such as Medicaid, Medicare, private insurance, etc. Specifically, the patient pays for the full amount of prescription on their own using cash, debit card, credit card or check.

22. Are there any pain management clinics; weight loss clinics or oncology clinics in close proximity to the pharmacy?

YES ☒ NO ☐

Pharmacy is in close proximity to Lee Pain Management, Lee Memorial Hospital Pain Management, 21st Century Oncology, three other hospitals and Gulf Coast Health Park.

If Yes, are any of the practitioners associated with these clinics considered to be within the group of top 5 major prescribers of controlled substances? If so, they should be listed in Question 32.

23. Are prescriptions ever refused to be filled?

YES ☒ NO ☐

If Yes, explain.

Prescriptions are refused based on negative information found in Walgreens database or the Florida State prescription Monitoring Program which was implemented in the fall of 2011. Also, in the case of customers who submit prescriptions for narcotics repetitively or too frequently.

24. What procedures does the pharmacy have in place to identify CS Rx's issued by a PRESCRIBER for non-therapeutic purposes? (Examples: Vetting physicians, limiting CS script quantities etc.)

At first the PIC stated that she would not call the prescriber but discuss the prescription with the customer. However, after considering that response the PIC changed her answer to call the doctor to verify the strength or quantity of what was prescribed and then she would decide whether to fill or not fill the prescription. If suspicious, she indicated that she would also fax a suspicious prescription to the DEA.

Customer's Comments:

When you call the prescriber, what questions do you ask?

Where do you document the answers?

Do you reject prescriptions after talking with the prescriber?

What are the reasons for rejection of prescriptions?

25. What procedures does the pharmacy have in place to identify PATIENTS who may be obtaining prescriptions for non-therapeutic purposes?

Same as #24

26. Over the past 12 Months Purchase Mix:

- **Primary supplier of C2's:** Walgreens distributor facility in Jupiter, FL
Secondary supplier: Cardinal Health
- **Approximate percentage of C2's purchased from Primary:** 80-85%
- **Other suppliers of C2's and approximate percentages of purchases:**

Secondary supplier: Cardinal Health 15-20%

- **Estimated percentage of purchases of C3's-5's from Primary and other suppliers:** 100 %

Prevention Supervisor [REDACTED] advised the Investigators that Walgreens had very recently made the decision not to use the Jupiter, FL location to supply controlled substances for fear that the DEA would close the facility and seize the controlled substances. Other Walgreens distribution centers are now used to supply c/s, but the Jupiter location is no longer used for that purpose.

27. List the most frequently prescribed controlled substances dispensed by the pharmacy.

- Adderall
- Percocet or Morphine
- Oxycodone (dwindled since last fall when FL monitoring program started)
- Not much hydrocodone (per PIC)

28. Obtain a summary controlled substances (C2 – C5) usage report covering the past 3 month period.

☐ Obtained while on site

☐ To be provided later

Available from Walgreens Corporate

29. Were any customers observed during the site visit that appeared inconsistent with the local general demographics of area?

YES ☐ NO ☒

If Yes, explain.

30. Does the pharmacy use automated dispensing machines?

YES ☒ NO ☐

The pharmacy uses automated dispensing machines for the most frequently used drugs, excluding C2s

31. If the state has a prescription monitoring program, does the pharmacy routinely and proactively use it to verify potentially fraudulent Rx's?

YES ☒ NO ☐

32. Obtain the names and DEA numbers of the pharmacy's top 5 major prescribers of controlled substances and verify current status.

List Prescribers' Names, DEA Numbers and State Licenses here, in columnar form (Document any Disciplinary Actions)

Name	DEA #/License #	Exp Date	Rxs/Day
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Dr. Kenneth Berdick	DEA # AB1006988		
Dr. Fred Liebowitz	DEA #BL2768084		
Dr. Kenneth Galang	DEA #BG5350614		
Dr. Jonathan Daitch	DEA #BD1688641		
Dr. Constantine Yankopolus	DEA # AY6243822		

33. Based on the prescriptions dispensed during the previous full month, provide an estimate of:

The number of doctors prescribing controlled substances: no data available

The number (or range) of dosage units of controlled substances normally prescribed by each of the top 5 prescribers: no data available

Cash sales as a percentage of total sales of all prescriptions: Corporate data indicates 6%

Cash sales as a percentage of total sales for non-controlled prescriptions:
Corporate data indicates 5%

Cash sales as a percentage of total sales for controlled substances (C2-C5):
Corporate data indicates 9%

34. Obtain the names and license numbers for any additional pharmacists who routinely work at the pharmacy for license verification purposes.

List the Pharmacists' Names and Licenses here, in columnar form:

<u>Name</u>	<u>License Number</u>	<u>Expiration Date</u>
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If none, state NONE

35. ADDITIONAL COMMENTS/OBSERVATIONS:

YES ☒ NO ☐

The Walgreens personnel were cooperative and pleasant throughout the on-site visit as were the Investigators that visited the Walgreens store.